

## **CELSIUS EX. 86**

Message

---

**From:** OTIS DAVIS [otisd1234@icloud.com]  
**on behalf of** OTIS DAVIS <otisd1234@icloud.com> [otisd1234@icloud.com]  
**Sent:** 5/18/2022 3:08:37 PM  
**To:** Ronald Loh [ronald.loh@celsius.network]  
**CC:** Kenny Wang [kenny.huang@celsius.network]; Alex Mashinsky [alex@mashinsky.com]; James Hobson [james.hobson@celsius.network]; tal.bentov@celsius.network  
**Subject:** Re: 3 Unfair CEL loan Liquidations

Ronald,

Believe me when I tell you, I want to pay back my loans in full and I can't wait to start. I can't control the market, it is what it is. I just want the market to turn around. I even plan to use some of my MATIC once the market turns around to pay off some of my CEL loans.

Best, Otis.

On May 18, 2022, at 9:59 AM, Ronald Loh <ronald.loh@celsius.network> wrote:

Hi Otis,

Thanks for sharing your feedback. As I mentioned in my earlier email, we are in the process of reviewing all loans that were liquidated for a reversal through a committee.

I'm reaching out specifically regarding your open margin calls. This is not just to yourself, we are reaching out to all our clients with open margin calls across all coins to work with them to bring their LTV back down to a safe level.

If you don't wish to close the margin calls it's okay, but this means you're also not fulfilling the T&Cs of the loan, which are also there to protect you. We can't know how the markets will move, our intention to make sure your loans are at a safe level during this volatile time should there be another fall in the crypto market.

Please confirm you understand there are risks involved should there be another fall in crypto. Thank you.

Best,  
Ronald



**Ronald Loh**

Head of VIP Loans | Celsius

ronald.loh@celsius.network

+44 (0) 7399 135 316

**[Schedule an appointment](#)**

Some handy reminders:

**Whitelisting** an address takes 24 hours before a withdrawal can be made

**HODL** mode takes 24 hours to deactivate

**Large withdrawals** will go through additional security protocols

On Tue, May 17, 2022 at 8:28 PM OTIS DAVIS <[otisd1234@icloud.com](mailto:otisd1234@icloud.com)> wrote:

Ronald,

Thanks for getting back to me. **We can deal with the 3 liquidations later, no problem at all.** I did all I could with Kenny to answer the margin calls during the time of the crash. You'll recall me being concerned about an event like this where CEL dropped so much that it triggered a cascade of liquidations when we last spoke in January. I did ask to speak to you (I sent you an email) before CEL even started to crash but you were out of the office.

My plan was always to add the 1,750,000 CEL if I got a margin call, and that is exactly what I ended up doing, I added 1,750,000 CEL in three tranches of 500,000 each, which should have fixed the problem but for some reason it didn't. It's not like I didn't add collateral. I handed over all of my CEL. In hindsight (and hindsight is always 20/20), the right thing would have been to hand over 1.75 million CEL when I got the first margin call at \$0.97, which would have made my new margin call at \$0.25, but none of us could have foreseen in our wildest dreams CEL dropping all the way to \$0.50. So I am in a position now where even though I added collateral (1.75M CEL) which should have cured all my margin calls, that I face liquidation on all my loans. That's just crazy, that the decision came down to exactly when I added collateral in a volatile market. What you're telling me then is I should have kept my 1,750,000 CEL, say screw you, Celsius, and make you liquidate the loans you have and I would have been better off, and I don't think that's a message you want to send to a customer, especially a high net worth customer like myself. It seems like me adding my 1,750,000 in collateral only served to hurt me, not help me.

But why worry about liquidating me, since the dust has basically settled? Wouldn't it serve you, the company, better to have me repay those loans and get my coins back. If you liquidate me, are you going to sell the CEL on the open market? I highly doubt that, although I don't know for sure. That's a lose-lose for everyone if you liquidate me and a win-win if you don't liquidate me and I continue to slowly pay off the loans. So why wouldn't you give the customer the chance to repay those loans. And, again, I can't speak for others, I can only speak for myself. I've showed in words and in deeds that I'm not going anywhere, so why would you liquidate me and not give me the chance to repay those loans. You could see that I started repaying them before the crash; I tried to pay off at least 2 loans each week. That's what I think the right decision is. I'm not the company, so I can't speak for you, but I plan to pay back all my loans, and I would be more than grateful to be given the opportunity to repay them all by Alex and the team. I've been here since June of 2018 and I plan to be here for life.

Best, Otis

On May 17, 2022, at 10:41 AM, Ronald Loh <[ronald.loh@celsius.network](mailto:ronald.loh@celsius.network)> wrote:

Hi Otis,

Following our last conversation, I wanted to update you that all liquidations are being reviewed but will take at least 2 weeks for a decision to be made.

You can appreciate this requires to run this through a committee including legal and compliance, to ensure all reversals reviewed can be justified, particularly since we're heavily audited.

At the meantime I'm more concerned about 133 Margin Calls that are currently still open which needs to be addressed.

Do you have any plans for these? i.e. to close some of them and balance the collateral around to close as many as possible?

Appreciate your update.

Best regards,  
Ronald



**Ronald Loh**

Head of VIP Loans | Celsius

[ronald.loh@celsius.network](mailto:ronald.loh@celsius.network)

+44 (0) 7399 135 316

**Schedule an appointment**

Some handy reminders:

**Whitelisting** an address takes 24 hours before a withdrawal can be made

**HODL** mode takes 24 hours to deactivate

**Large withdrawals** will go through additional security protocols

On Fri, May 13, 2022 at 3:09 PM OTIS DAVIS <[otisd1234@icloud.com](mailto:otisd1234@icloud.com)> wrote:

Ronald, I'm just hoping my 4M+ CEL is not liquidated by next week when the market standardizes. I sent an email a few mins ago and CC'd you on it explaining things.

Thanks.

On May 13, 2022, at 6:36 AM, Ronald Loh <[ronald.loh@celsius.network](mailto:ronald.loh@celsius.network)> wrote:

Hi Otis, well noted on this. I'll be reviewing all loans with Tal next week once the market stabilises. You can appreciate there're lots of moving parts happening at the moment.

Kind regards,  
Ronald

On Fri, 13 May 2022, 06:37 OTIS DAVIS, <[otisd1234@icloud.com](mailto:otisd1234@icloud.com)> wrote:

Ronald, please see below.

I tried to get in contact with you via email before I even received one margin call (which I think was Monday or Tuesday) but you were out of the office this week.

Begin forwarded message:

**From:** OTIS DAVIS <[otisd1234@icloud.com](mailto:otisd1234@icloud.com)>  
**Date:** May 12, 2022 at 7:22:00 PM EST  
**To:** Alex Mashinsky <[alex@mashinsky.com](mailto:alex@mashinsky.com)>  
**Cc:** KEPB/AOE WAPBG <[kenny.huang@celsius.network](mailto:kenny.huang@celsius.network)>  
**Subject:** 3 Unfair CEL loan Liquidations

Alex,

While my personal loan manager was adding my 1.3M CEL collateral to my margin call loans, your liquidation team was liquidating me. You can see from the screenshot below that while Kenny Wang, my personal loan manager, was adding collateral, 3 of my CEL loans were being liquidated at the same time. How can that be fair?

I'm confused and offended at this behavior. How can you request collateral, Celsius has the collateral in their possession but yet liquidate 3 of my loans. That makes zero sense.

I gave Kenny 1.3 million CEL after we spoke this morning to add to my CEL margin calls and I got liquidated this afternoon at 3:14 PM, while Kenny was adding collateral. That makes no sense.

I will submit to you these 3 liquidations shouldn't have happened and I will ask you to reverse the liquidations once things settle down, because my loan manager was adding the collateral and at the same time the loans were being liquidated.

Best, Otis.



Reminder: Be aware of phishing sites and always make sure you are visiting the official <https://celsius.network> website and app. Celsius will never ask you for confidential information such as passwords, private keys, seed phrases, or secret codes. You should store this information privately and securely and report any suspicious activity.

©2022 Celsius Network

121 River Street, Ste PH05  
Hoboken, NJ 07030 USA

Registered as a Money Services Business (MSB) number [31000192265811](#) with the US Financial Crimes Enforcement Network (FinCEN).

Celsius is not a bank, depository institution, custodian or fiduciary and the assets in your Celsius account are not insured by any private or governmental insurance plan (including FDIC or SIPC), nor are they covered by any compensation scheme (including FSCS).

Holding, trading or using crypto assets carry significant risks, please carefully read our [Risk Disclosure page](#). Celsius does not provide any financial, legal or tax advice, nor should this email be viewed as an offer or inducement to make any financial decision.

<image.png>

Reminder: Be aware of phishing sites and always make sure you are visiting the official <https://celsius.network> website and app. Celsius will never ask you for confidential information such as passwords, private keys, seed phrases, or secret codes. You should store this information privately and securely and report any suspicious activity.

©2022 Celsius Network

121 River Street, Ste PH05  
Hoboken, NJ 07030 USA

Registered as a Money Services Business (MSB) number 31000192265811 with the US Financial Crimes Enforcement Network (FinCEN).

Celsius is not a bank, depository institution, custodian or fiduciary and the assets in your Celsius account are not insured by any private or governmental insurance plan (including FDIC or SIPC), nor are they covered by any compensation scheme (including FSCS).

Holding, trading or using crypto assets carry significant risks, please carefully read our [Risk Disclosure page](#). Celsius does not provide any financial, legal or tax advice, nor should this email be viewed as an offer or inducement to make any financial decision.

Reminder: Be aware of phishing sites and always make sure you are visiting the official <https://celsius.network> website and app. Celsius will never ask you for confidential information such as passwords, private keys, seed phrases, or secret codes. You should store this information privately and securely and report any suspicious activity.

©2022 Celsius Network

121 River Street, Ste PH05  
Hoboken, NJ 07030 USA

Registered as a Money Services Business (MSB) number 31000192265811 with the US Financial Crimes Enforcement Network (FinCEN).

Celsius is not a bank, depository institution, custodian or fiduciary and the assets in your Celsius account are not insured by any private or governmental insurance plan (including FDIC or SIPC), nor are they covered by any compensation scheme (including FSCS).

Holding, trading or using crypto assets carry significant risks, please carefully read our [Risk Disclosure page](#). Celsius does not provide any financial, legal or tax advice, nor should this email be viewed as an offer or inducement to make any financial decision.